

OGC HAS REVIEWED. *[Signature]*

2 May 1956

MEMORANDUM FOR: Chief, NEA Division

25X1A9a

ATTENTION : [REDACTED] 25X1A8a

SUBJECT : Applicability of Dual Compensation Statutes to
Proposed Contract with a [REDACTED]

25X1A5a1

[REDACTED] 25X1A5a1

REFERENCES : (a) OGC Memorandum to NEA, Same Subject, dated
12 April 1956.
(b) NEA Memorandum to OGC, Same Subject, dated
20 April 1956.

25X1A5a1 1. In a memorandum dated 20 April 1956, you posed two questions
25X1A9a to this Office which bore on discussions which recently we have been
25X1A9a having with [REDACTED] and [REDACTED] with regard to whether or not
a [REDACTED] whom [REDACTED] wishes to hire under
contract, would be acting in violation of the dual compensation statutes
if he were to retain payment from this Agency under such contract and
his retired pay.

25X1A8a

2. We treated the issue in a memorandum dated 12 April 1956.
However, apparently this memorandum did not reach you as your memorandum
of 20 April 1956 seems not to refer to it; and [REDACTED] informed us
during the week of 22 April that she had not seen our memorandum. After
some further discussion, consequent upon which a copy of the memorandum
was handed over to [REDACTED] she called and requested that we reply
nonetheless to the first question raised in your memorandum of 20 April
1956.

25X1A9a

3. This question is as follows:

"Your office does not feel that the acceptance of the
pension by this individual constitutes dual compensation and,
therefore, you will not require that he return to the government
a sum equivalent to the amount of the pension received during the
period of his employment by this agency."

We feel that so much of the question as is posed in the wording prior
to the first comma constitutes a misunderstanding of our position in the
matter. As we said in paragraph 8 of our previous memorandum, we are
unable to take a definitive position on the issue of whether or not dual

legal

[Signature]

25X1A9a

compensation is involved. We think this inability is explained in the paragraphs preceding that paragraph. However, as we told Miss [REDACTED], we believe that there is a greater likelihood of dual compensation being involved in the circumstances which you described than of it being not involved. We believe this for the reasons set out in greater length in paragraphs 5 and 7 of our memorandum. As to whether or not this Agency should require the [REDACTED] contract agent, assuming that such would be his status, to return the amount of his [REDACTED] retirement annuity to the Agency, we would not require it. However, we add that this requirement is not our function in the premises. The ban of the dual compensation statutes runs against the individual; it proscribes his receipt of the dual compensation. It does not run against a readitting agency. The matter of the return of any dual compensation in these circumstances is one for settlement between the individual, on the one hand, and either the [REDACTED] or both, on the other.

25X1A5a1

4. If we have not made ourselves sufficiently clear in this matter before, we regret it and trust that the above, read in conjunction with our memorandum of 12 April 1956, will make our position clear. If it does not, please call on us again.

25X1A9a

[REDACTED]
Office of General Counsel

OGC/HF:pkb

Distribution: Orig.&1-Addressee

1-Dual Compensation
 1-HF Chrono
 1-OGC-225 East
 1-Chromo